

**FEBRUARY 1, 2008**

MICHAEL W. DOBBINS  
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

**08 C 725**

UNITED STATES OF AMERICA, )  
)  
Plaintiff, ) No.  
)  
v. )  
) Judge  
ONE CITYWIDE TITLE CORPORATION )  
CHECK IN THE AMOUNT OF \$15,757.25 )  
MADE PAYABLE TO SMITH ORTIZ )  
FINANCIAL INC. )  
)  
Defendant. )

**JUDGE ST. EVE  
MAGISTRATE JUDGE COLE**

**JURY TRIAL DEMANDED**

**VERIFIED COMPLAINT FOR FORFEITURE**

The UNITED STATES OF AMERICA, by PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, for its verified complaint against the above-named defendant property alleges in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure as follows:

1. This complaint for forfeiture is verified by the attached affidavit of Inspector Laura Mahlke ("Inspector Mahlke") of the United States Postal Inspection Service ("USPIS"), which is fully incorporated herein.

**Jurisdiction and Venue**

2. This is an *in rem* forfeiture action brought pursuant to Title 18, United States Code, Section 981(a)(1)(C), for forfeiture of funds in the amount of fifteen thousand seven hundred sixty-seven dollars and twenty-five cents (\$15,767.25), as property which represents or is traceable to the gross proceeds obtained directly or indirectly from a violation of Title 18, United States Code, Section 1343. This court has jurisdiction over this action pursuant to Title 28, United States Code,

Sections 1345 and 1355(a).

3. This court has *in rem* jurisdiction over the defendant property pursuant to Title 28, United States Code, Sections 1355(b)(1)(A) and (d), as certain of the acts giving rise to the forfeiture occurred within the Northern District of Illinois.

4. Venue is proper under 28 U.S.C. § 1395(b) because the defendant property was found and seized within the Northern District of Illinois on May 18, 2007, and shall remain here during the pendency of this action.

#### **Statutory Authority**

5. This forfeiture action *in rem* is brought pursuant to Title 18, United States Code, Section 981(a)(1)(C).

#### **Specific Allegations**

6. On May 18, 2007, Postal Inspectors and other law enforcement agents executed three state court search warrants as part of an investigation of Milan Mijailovic, (“Mijailovic”) also known as Ricardo Badilla, and New Star Financial and Associates (“New Star”). During the search, agents seized one Citywide Title Corporation check in the amount of \$15,757.25 made payable to Smith Ortiz Financial Inc. from the front seat of Mijailovic’s vehicle, a Land Rover that was parked in front of his residence in Niles, Illinois.

7. Also, recovered from the Land Rover was a copy of the U.S. Department of Housing and Urban Development Settlement Statement (HUD 1) dated May 17, 2007 for the sale of the real property located at 6330 North Keeler Avenue in Chicago, Illinois. On the second page of the HUD 1 was a summary of the fees owed to Smith Ortiz Financial Inc. which included a \$17.25 credit report fee; a \$14,850 loan originator fee; a \$450 processing fee and an additional \$450 as an

administrative fee for a total of \$15,757.25.

8. During the execution of the search warrant of his residence, Mijailovic was present. He was informed that his residence, vehicle and office were going to be searched for documents and property related to an ongoing mortgage fraud investigation. Agents told Mijailovic that he was not under arrest and that he was free to leave at any time. Mijailovic agreed to speak with the agents.

9. Mijailovic provided agents with the names of others involved in his real estate transactions. Additionally, he admitted that he used an alias to travel overseas and that he possessed fraudulent identification documents under that name. At the conclusion of the search, Mijailovic was provided a copy of the list of the items seized including the check in the amount of \$15,757.25.

10. During the execution of the search warrant of New Star, located at 3410 West Irving Park in Chicago, Illinois, Individual A was interviewed. Individual A stated that he/she has worked with Mijailovic for about one year. He/She told agents that Mijailovic falsified bank statements before submitting them to lenders. Furthermore, he/she explained that New Star was operating under the business license of Smith Ortiz Financial, Inc.

11. A search of the State of Illinois Department of Financial and Professional Regulation revealed that while Individual A is a licensed loan originator Mijailovic is not nor has he ever had a license in Illinois. Furthermore, New Star is not a licensed mortgage broker in Illinois. New Star operates under the license of Smith Ortiz Financial, owned by Ted Smith, located at 7021 West Grand in Chicago, Illinois.

12. A search of the Cook County Recorder of Deeds revealed that the Keeler property was sold in November of 2005 for \$450,000 and just over a year later it was sold for \$825,000 in the above referenced transaction.

13. For the reasons stated herein and in the attached affidavit, there is probable cause to believe that the defendant property constitutes and is derived from proceeds traceable to a violation of 18 U.S.C. § 1343 and therefore is subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

WHEREFORE, the United States of America prays:

A. That the defendant property be proceeded against for forfeiture and condemnation, that due notice be given to all interested parties to appear and show cause why the forfeiture should not be decreed;

B. That the court adjudge and decree that the defendant currency be forfeit to the United States and disposed of according to law; and

C. The United States requests that any trial be before a jury.

Respectfully submitted,

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